



Senate

General Assembly

January Session, 2019

File No. 309

Senate Bill No. 87

Senate, April 2, 2019

The Committee on Insurance and Real Estate reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT PROHIBITING DISCRETIONARY CLAUSES IN DISABILITY INCOME INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective January 1, 2020*) No insurer, health care
- 2 center, fraternal benefit society, hospital service corporation, medical
- 3 service corporation or other entity delivering, issuing for delivery,
- 4 renewing, amending or continuing an individual or group health
- 5 insurance policy in this state on or after January 1, 2020, providing
- 6 coverage of the type specified in subdivision (5) of section 38a-469 of
- 7 the general statutes shall include in such policy a provision reserving
- 8 discretion to such insurer, center, society, corporation or entity to
- 9 interpret the terms of such policy, or provide standards for the
- 10 interpretation or review of such policy, that are inconsistent with the
- 11 laws of this state.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2020</i>	New section
-----------	------------------------	-------------

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill does not result in a fiscal impact to the state employee and retiree health plan or self-insured municipal plans as self-insured plans are not subject to the provisions of the bill. The bill is not anticipated to result in a fiscal impact to fully-insured municipal plans.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 87*****AN ACT PROHIBITING DISCRETIONARY CLAUSES IN DISABILITY INCOME INSURANCE POLICIES.*****SUMMARY**

This bill prohibits certain health carriers from including in a disability income protection policy a provision that allows the carrier discretion to interpret the policy's terms, or establishes standards for interpreting or reviewing the policy, that are inconsistent with state law.

The bill applies to each insurer, health care center, hospital or medical service corporation, or fraternal benefit society that delivers, issues, renews, amends, or continues in Connecticut a disability income protection policy on or after January 1, 2020.

EFFECTIVE DATE: January 1, 2020

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 14 Nay 6 (03/14/2019)